

**Lance J.M. Steinhart, P.C.**

Attorneys At Law  
1725 Windward Concourse  
Suite 150  
Alpharetta, Georgia 30005

Also Admitted in New York  
Email: info@telecomcounsel.com

Telephone: (770) 232-9200  
Facsimile: (770) 232-9208

July 24, 2019

**VIA ELECTRONIC DELIVERY**

Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr., SW  
Olympia, WA 98504

Received  
Records Management  
07/25/19 14:51  
State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

Re: Sage Telecom Communications, LLC dba TruConnect  
Petition for Designation as an Eligible Telecommunications Carrier

Dear Mr. King:

Attached please find for filing Sage Telecom Communications, LLC dba TruConnect's  
Petition for Designation as an Eligible Telecommunications Carrier.

If you have any questions or if I may provide you with any additional information, please do  
not hesitate to contact me at 770-232-7805 or hkirby@telecomcounsel.com. Thank you.

Respectfully submitted,

*s/ Heather Kirby*

Heather Kirby  
Regulatory Specialist  
Lance J.M. Steinhart, P.C.  
*Attorneys for Sage Telecom Communications, LLC  
dba TruConnect*

Attachments

cc: Nathan Johnson

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

**SAGE TELECOM COMMUNICATIONS, LLC  
DBA TRUCONNECT FOR DESIGNATION AS  
AN ELIGIBLE TELECOMMUNICATIONS  
CARRIER**

---

)  
) DOCKET NO. \_\_\_\_\_  
)  
)  
)  
)  
)  
)

**PETITION OF SAGE TELECOM COMMUNICATIONS, LLC DBA TRUCONNECT  
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

Lance J.M. Steinhart  
Managing Attorney  
Lance J.M. Steinhart, P.C.  
1725 Windward Concourse, Suite 150  
Alpharetta, Georgia 30005  
(770) 232-9200 (Phone)  
(770) 232-9208 (Fax)  
E-Mail: [lsteinhart@telecomcounsel.com](mailto:lsteinhart@telecomcounsel.com)

*Attorneys for Sage Telecom Communications, LLC  
dba TruConnect*

July 24, 2019

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	BACKGROUND .....	3
	A.    Company Overview .....	3
	B.    Proposed Lifeline Offering .....	4
	C.    Plan Enrollment .....	6
	D.    Prevention of Waste, Fraud and Abuse.....	7
	E.    The Commission Has Jurisdiction to Designate Wireless ETCs .....	9
III.	TRUCONNECT SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC .....	10
	A.    TruConnect Will Provide Service Consistent With the FCC’s Grant of Forbearance from Section 214’s Facilities Requirements .....	10
	B.    TruConnect Is a Common Carrier.....	11
	C.    TruConnect Will Provide All Supported Services .....	11
	1.    Voice Telephony Service.....	12
	2.    Broadband Internet Access Services.....	13
	D.    TruConnect Requests Designation Throughout its Service Area.....	13
	E.    TruConnect Will Advertise the Availability of Supported Services .....	14
	F.    Service Commitment Throughout the Proposed Designated Service Area.....	15
	G.    Ability to Remain Functional in Emergency Situations .....	16
	H.    Commitment to Consumer Protection and Service Quality.....	16
	I.    Financial and Technical Capability .....	17
	J.    TruConnect Will Comply with Lifeline Certification and Verification Requirements .....	18
	K.    TruConnect Will Comply With Reporting Requirements.....	18
	L.    TruConnect Will Comply With All Regulations Imposed By The Commission .....	19
	M.    TruConnect Requests Exemption from Certain Provisions of WAC 480- 123-030 .....	19
IV.	DESIGNATION OF TRUCONNECT AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST.....	20
	A.    Advantages of TruConnect’s Service Offering.....	21
	B.    The Benefits of Competitive Choice.....	23
	C.    Impact on the Universal Service Fund.....	23

V. CONCLUSION.....25

**TABLE OF EXHIBITS**

	<u>Exhibit</u>
Certification .....	1
Proposed Lifeline Offering .....	2
FCC-Approved Compliance Plan.....	3
Coverage Area .....	4
Sample Advertisement .....	5
Key Management Bios.....	6

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

**SAGE TELECOM COMMUNICATIONS, LLC  
DBA TRUCONNECT FOR DESIGNATION AS  
AN ELIGIBLE TELECOMMUNICATIONS  
CARRIER**

---

) DOCKET NO. \_\_\_\_\_  
)  
)  
)  
)  
)  
)

**PETITION OF SAGE TELECOM COMMUNICATIONS, LLC DBA TRUCONNECT  
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

**I. INTRODUCTION**

Sage Telecom Communications, LLC dba TruConnect (“TruConnect”, or the “Company”), by its undersigned counsel, and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”),<sup>1</sup> Sections 54.101 through 54.207 of the Rules of the Federal Communications Commission (“FCC”),<sup>2</sup> and Section 480-123-030 of the Washington Administrative Code (“WAC”), hereby submits this Petition for Designation as an Eligible Telecommunications Carrier (“ETC”) in the State of Washington. TruConnect seeks ETC designation solely to provide Lifeline service to qualifying Washington consumers; it will not (and is not eligible to) seek access to funds from the federal Universal Service Fund (“USF”) for the purpose of participating in the Link-Up program or providing service to high cost areas.<sup>3</sup>

---

<sup>1</sup> 47 U.S.C. § 214(e)(2)

<sup>2</sup> 47 C.F.R. §§ 54.101-54.207.

<sup>3</sup> Given that the Company only seeks Lifeline support from the low-income program and does not seek any high-cost support, ETC certification requirements for the high-cost program are not applicable to the Company.

As demonstrated herein, and as certified in Exhibit 1 to this Petition, TruConnect meets all the statutory and regulatory requirements for designation as an ETC in the State of Washington, including the requirements outlined in the FCC's *Lifeline and Link Up Reform Order*<sup>4</sup> and *Lifeline Modernization Order*.<sup>5</sup> Rapid grant of TruConnect's request, moreover, would advance the public interest because it would enable the Company to commence much needed Lifeline services to low-income Washington residents as soon as possible. Accordingly, the Company respectfully requests that the Washington Utilities and Transportation Commission ("Commission") expeditiously approve this Petition for ETC designation.

All correspondence, communications, pleadings, notices, orders and decisions relating to this Petition should be addressed to:

Lance J.M. Steinhart  
Managing Attorney  
Lance J.M. Steinhart, P.C.  
Attorneys for Sage Telecom Communications, LLC dba TruConnect  
1725 Windward Concourse, Suite 150  
Alpharetta, Georgia 30005  
(770) 232-9200 (Phone)  
(770) 232-9208 (Fax)  
E-Mail: [lsteinhart@telecomcounsel.com](mailto:lsteinhart@telecomcounsel.com)

---

<sup>4</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) ("*Lifeline and Link Up Reform Order*").

<sup>5</sup> *In the Matter of Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible for Universal Service Support, Connect America Fund*, WC Docket No. 11-42, WC Docket No. 00-197, WC Docket No. 10-90, Third Report and Order, Further Report and Order, and Order on Reconsideration, FCC 16-38 (rel. Apr. 27, 2016) (hereinafter, "*Third Report and Order*" or "*Lifeline Modernization Order*").

## II. BACKGROUND

### A. Company Overview

TruConnect is a Texas Limited Liability Company,<sup>6</sup> with its principal office located at 1149 S. Hill Street, Suite H-400, Los Angeles, California 90015. Sage Telecom Communications, LLC is a subsidiary of TSC Acquisition Corporation (“TSC”) and was formerly known as Sage Telecom, Inc. before a corporate restructuring in 2012. TSC also owns TruConnect Communications, Inc., formerly Telscape Communications, Inc., and the owners of TSC separately own TruConnect Mobile, LLC, which sells mobile hotspot devices and low-cost monthly data plans, as well as TruConnect Technologies, LLC, a mobile data analytics company that develops data intelligence products and services for wireless carriers, cable operators, content providers, and application developers.

TruConnect provides prepaid wireless telecommunications services to consumers by using the underlying wireless networks of Sprint Spectrum, L.P. (“Sprint”), Verizon Wireless (“Verizon”), and/or T-Mobile USA, Inc. (“T-Mobile”) (collectively, “Underlying Carriers”) on a wholesale basis to offer nationwide service. TruConnect obtains from its Underlying Carriers the network infrastructure and wireless transmission facilities to allow the Company to operate as a Mobile Virtual Network Operator (“MVNO”), similar to TracFone Wireless, Inc. (“TracFone”) and YourTel America Inc. (“YourTel”), who have been granted ETC status by the Commission.<sup>7</sup> TruConnect is currently designated as a wireless ETC in Arizona, Arkansas, California, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri,

---

<sup>6</sup> TruConnect was organized in the State of Texas on December 5, 2012.

<sup>7</sup> *Petition of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Washington for the Limited Purposes of Offering Lifeline and Link Up Service to Qualified Households*, As Amended, Order 03, Docket No. UT-093012 (June 24, 2010) (“*TracFone ETC Order*”); *Petition of YOURTEL AMERICA, INC. for an Exemption from WAC 480-123-030(1)(d), (f) and (g), and Designation as an Eligible Telecommunications Carrier*, Order 01, Docket No. UT-110423 (June 16, 2011) (“*YourTel ETC Order*”).

Nebraska, Nevada, Ohio, Oklahoma, Pennsylvania, Puerto Rico, South Carolina, Texas, Utah, West Virginia and Wisconsin. TruConnect has petitions for ETC designation pending with the FCC and in Mississippi and New York.

TruConnect's prepaid wireless services are affordable, easy to use, and attractive to low-income and lower-volume consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers. TruConnect offers consumers simple and affordable prepaid calling plans, a variety of prepaid service plans, easy-to-use handsets and high-quality customer service. Given its pricing and marketing strategy and the demographics of its customers in other states, TruConnect anticipates that many of its customers will be from low-income backgrounds and will not previously have enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. TruConnect does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service.

By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or who were previously ignored by traditional carriers, TruConnect will expand the availability of wireless services to many more consumers, which is the principal reason that Congress created the universal service program.

#### **B. Proposed Lifeline Offering**

TruConnect has the ability to provide all services supported by the universal service program, as detailed in Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)) throughout Washington. TruConnect intends to be a leader in the prepaid marketplace by offering consumers exceptional value and competitive amounts of voice and broadband usage. The Company's Lifeline service offering will provide customers with the same features and functionalities enjoyed



by all other TruConnect prepaid customers, with one notable exception: TruConnect's prepaid Lifeline services will not require payment of an out-of-pocket fee by subscribers, but instead, TruConnect will receive support from the Lifeline program as compensation for providing those services.

TruConnect commits that its Lifeline-supported voice services will meet or exceed the minimum service standards set forth in 47 C.F.R. § 54.408, including as such standards are updated going forward. TruConnect's Lifeline-supported broadband services will also meet the minimum service standards set forth in 47 C.F.R. § 54.408 for mobile broadband internet access services, including for service speed and data usage allowance, as such standards are updated going forward. To the extent TruConnect provides devices for use with Lifeline-supported broadband service, such devices will meet the equipment requirements set forth in 47 C.F.R. § 54.408(f), and TruConnect will not impose an additional or separate tethering charge for mobile data usage below the minimum standard.

Attached hereto as Exhibit 2 is a summary table of the Company's proposed Lifeline service offerings, showing that Lifeline customers will receive 1,000 voice minutes, unlimited text messages, and 2 gigabytes (GB) of data per month at a net cost of \$0.00 after application of Lifeline support; residents of federally-recognized tribal lands ("Tribal" customers) will receive unlimited talk and text with 2 GB data at a net cost of \$0.00. Customers will also be able to purchase additional minutes or data as needed. In addition to wholly-supported or discounted wireless services, prepaid Lifeline customers will receive a free handset or SIM card, as well as access to voice mail, caller I.D., call forwarding, 3-way calling, and call waiting features at no additional charge. Customers may use their minutes to place domestic long-distance calls at no additional charge, and calls to the Company's customer service are free with no deduction of available

minutes. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes.

The Company's Lifeline offering will allow feature-rich mobile connectivity for qualifying subscribers at no cost to the subscriber, without the burden of credit checks or service contracts. TruConnect's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

### **C. Plan Enrollment**

Customers interested in obtaining information on the Lifeline program will be directed to a toll-free telephone number and to the Company's website, which will contain information regarding the Company's Lifeline service plans, including a description of the Lifeline program and eligibility criteria. Customers may then request that an enrollment form (hereinafter also referred to as application or certification form) be mailed to them, complete the online application, download a form from the Internet or retrieve a form in person at a Company event (or apply directly through the National Lifeline Eligibility Verifier ("National Verifier"), once implemented in Washington). TruConnect utilizes the standard Lifeline application/certification forms as required by FCC rules, and thus complies with the disclosure and information collection requirements in 47 C.F.R. § 54.410(d).<sup>8</sup> Processing of consumers' applications, including review of all application forms and relevant documentation, will be performed under the Company's supervision by managers experienced in the administration of the Lifeline program.

---

<sup>8</sup> *FCC Wireline Competition Bureau Provides Guidance on Universal Forms for the Lifeline Program*, WC Docket No. 11-42, Public Notice, "Wireline Competition Bureau Provides Guidance on Universal Forms for the Lifeline Program," DA 18-161 (rel. Feb. 20, 2018). The standard application/certification forms are available on USAC's website (See USAC, Lifeline Forms, <http://www.usac.org/li/tools/forms/default.aspx>).

In addition, the Company will notify the applicant that the prepaid service must be personally activated by the subscriber and the subscriber must use their service every thirty (30) days. TruConnect will annually re-certify the continued eligibility of all of its Lifeline subscribers in accordance with federal and Commission regulations. See Exhibit 3 for additional enrollment information.

**D. Prevention of Waste, Fraud and Abuse**

TruConnect recognizes the importance of safeguarding the USF. TruConnect has implemented measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. TruConnect complies with the requirements of the National Lifeline Accountability Database (“NLAD”) and section 54.404 of the FCC’s rules. As such the Company (or Eligibility Administrator or National Verifier, where applicable) queries the NLAD for every enrollment<sup>9</sup> to determine whether a prospective subscriber is currently receiving a Lifeline service from TruConnect or any other ETC, and whether anyone else living at the prospective subscriber’s residential address is currently receiving Lifeline service.<sup>10</sup> In addition, Company personnel emphasize the “one Lifeline service per household” restriction in their direct sales contacts with potential customers.

Moreover, the FCC has taken steps to further curb abuse in the Lifeline program by establishing the National Verifier, which transfers the responsibility of eligibility determination away from Lifeline providers.<sup>11</sup> TruConnect will rely on the National Verifier, once in place, to determine initial and ongoing eligibility of Washington Lifeline subscribers.

---

<sup>9</sup> With the limited exception of states that have opted out of the NLAD. In those states, the Company will query the state duplicates database.

<sup>10</sup> See *Lifeline and Link Up Reform Order* ¶ 203.

<sup>11</sup> See *Lifeline Modernization Order*, section III.C.

Consistent with federal regulations, the Company will not seek USF reimbursement for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service, and will de-enroll any subscriber that has not used the Company's Lifeline service as set forth in 47 C.F.R. § 54.407(c)(2). An account will be considered active if the authorized subscriber establishes usage, as "usage" is defined by 47 C.F.R. § 54.407(c)(2), during the specified timeframe, currently a period of thirty (30) days, or during the notice period set forth in 47 C.F.R. § 54.405(e)(3), currently a period of fifteen (15) days. In accordance with 47 C.F.R. § 54.405(e)(3), TruConnect will provide the subscriber advanced notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the notice period will result in service termination for non-usage. Customers that have been deactivated may participate in the Company's Lifeline service in the future by reapplying and re-establishing eligibility.

To further protect the integrity of the USF, TruConnect contracts with a third party Lifeline service bureau, currently CGM, LLC, to edit all subsidy request data. CGM will process and validate the Company's subsidy data to prevent: (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) Inactive lines receiving subsidy: CGM's systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines. Moreover, TruConnect has implemented an internal auditing process to review NLAD and CGM findings as a final layer of fraud prevention. Through the processes described above, TruConnect ensures that it does not over-request from support funds.

### **E. The Commission Has Jurisdiction to Designate Wireless ETCs.**

Section 214(e)(2) of the Act provides state public utility commissions with the “primary responsibility” for the designation of ETCs.<sup>12</sup> Although Section 332(c)(3)(A) of the Act prohibits states from regulating the entry of or the rates charged by any provider of commercial mobile service or any private mobile service, this prohibition does not allow states to deny wireless carriers ETC status.<sup>13</sup> Therefore, the Commission has the authority to designate TruConnect as an ETC. Pursuant to this authority, the Commission has designated numerous carriers as ETCs in the State of Washington, including wireless carriers.<sup>14</sup> Under the Act, a state public utility commission with jurisdictional authority over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of Section 214(e)(1). TruConnect recognizes that Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities and that Section 54.201(i) of the FCC’s Rules (47 C.F.R. § 54.201(i)) prohibits state commissions from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier’s services. However, the FCC has granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation.<sup>15</sup> Section 10(e) of the Act (47 U.S.C. § 160(e)) provides: “[a] State commission may not continue to apply or enforce any provision of this chapter that the [Federal Communications] Commission has determined to forbear from applying under subsection (a) of this section.” As such, the Commission is required by Section 10(e) to act in accordance with the FCC’s grant of

---

<sup>12</sup> 47 U.S.C. § 214(e)(2).

<sup>13</sup> *USF Order*, at 8858–59, ¶ 145.

<sup>14</sup> *See e.g., In the Matter of the Petition of RCC Minnesota, Inc. d/b/a Cellular One for Designation as an Eligible Telecommunications Carrier, Order Granting Petition for Designation as an Eligible Telecommunications Carrier*, Docket No. UT-023033 (Aug. 14, 2002); *See also Tracfone ETC Order* and *YourTel ETC Order*.

<sup>15</sup> *See Lifeline and Link Up Reform Order* at ¶ 368.

forbearance, and therefore, may not apply the facilities-based requirement to TruConnect. Therefore, the Commission has the authority under Section 214(e)(2) of the Act to grant TruConnect's request for designation as an ETC throughout the State of Washington.

### **III. TRUCONNECT SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC**

Section 254(e) of the Act provides that, "only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support." Section 214(e)(2) of the Act authorizes state commissions, such as the Commission, to designate ETC status for federal universal service purposes and authorizes the Commission to designate wireless ETCs.<sup>16</sup> Section 214(e)(1) of the Act and Section 54.201(d) of the FCC's rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier's services, except where the FCC has forbore from the "own facilities" requirement. Applicants also must commit to advertise the availability and rates of such services,<sup>17</sup> and provide additional information set forth in 47 C.F.R. § 54.202(a). As detailed below, TruConnect satisfies each of the above-listed requirements.

#### **A. TruConnect Will Provide Service Consistent with the FCC's Grant of Forbearance from Section 214's Facilities Requirements**

Although Section 214 requires ETCs to provide services using their facilities, at least in part, the FCC has forbore from that requirement with respect to carriers such as TruConnect. In the *Lifeline and Link Up Reform Order*, the FCC granted forbearance from the "own-facilities"

---

<sup>16</sup> See *Federal-State Joint Board on Universal Service, First Report and Order*, 12 FCC Rcd 8776, 8858-59, ¶ 145 (1997) ("USF Order").

<sup>17</sup> See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions:<sup>18</sup>

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier's service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary.

In accordance with the *Lifeline and Link Up Reform Order*, TruConnect filed a Compliance Plan with the FCC, which the FCC approved on December 26, 2012.<sup>19</sup> A copy of its FCC-Approved Compliance Plan is attached hereto as Exhibit 3. TruConnect commits to providing Lifeline service in Washington in accordance with its FCC-approved Compliance Plan and in compliance with applicable state and federal regulations, to the extent amendments thereto may supersede commitments made in the Compliance Plan.

## **B. TruConnect Is a Common Carrier**

TruConnect is a resale-based CMRS provider, and is thus a common carrier.<sup>20</sup>

## **C. TruConnect Will Provide All Supported Services**

Through its Underlying Carriers, TruConnect is able to provide all of the supported services

---

<sup>18</sup> See *Lifeline and Link Up Reform Order* at ¶¶ 368, 373, and 379.

<sup>19</sup> See FCC Public Notice DA 12-2063, [https://apps.fcc.gov/edocs\\_public/attachmatch/DA-12-2063A1\\_Rcd.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DA-12-2063A1_Rcd.pdf).

<sup>20</sup> *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory "mobile services" category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) ("mobile services" providers are common carriers); see also *PCIA Petition for Forbearance for Broadband PCS*, WT Docket No. 98-100, (Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) ("We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services and resellers of such services.") (emphasis added).

required by Section 54.101(a) of the FCC's Rules (47 C.F.R. § 54.101(a)) as follows:

### **1. Voice Telephony Service**

As set forth in 47 C.F.R. § 54.101(a)(1), eligible Voice Telephony Services must provide the following:

Voice Grade Access to the Public Switched Telephone Network. TruConnect provides voice grade access to the public switched telephone network ("PSTN") through the purchase of wholesale CMRS services from its facilities-based underlying carriers.

Local Usage At No Additional Charge. TruConnect offers rate plans that provide its customers with minutes of use for local service at no additional charge.

Access to Emergency Services. TruConnect provides 911 and E911 access for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems. As noted, calls to 911 emergency services will always be free and will be available regardless of service activation status or availability of minutes. TruConnect also complies with the FCC's regulations governing the deployment and availability of E911 compatible handsets.

Toll Limitation. In its *Lifeline and Link Up Reform Order*, the FCC provided that toll limitation would no longer be deemed a supported service.<sup>21</sup> "ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls."<sup>22</sup> Nonetheless, TruConnect's offerings inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or pay-as-you-go, basis. TruConnect's service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same.

---

<sup>21</sup> See *Lifeline and Link Up Reform Order* at ¶ 367.

<sup>22</sup> See *id.* at ¶ 49.



## **2. Broadband Internet Access Services**

Broadband Internet access service (“BIAS”) is a supported service as of December 2, 2016. The FCC has stated that BIAS consists of the ability for a user to receive “the capability to transmit data to and receive data from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service.”<sup>23</sup> TruConnect provides BIAS to low-income consumers via resale of its underlying carriers’ mobile services.

### **D. TruConnect Requests Designation Throughout Its Service Area**

TruConnect is not a rural telephone company as defined in Section 153(37) of the Act (47 U.S.C. § 153(37)). Accordingly, TruConnect is required to describe the geographic area(s) within which it requests designation as an ETC. TruConnect requests ETC designation that is statewide in scope, subject to the existence of its Underlying Carriers’ facilities and corresponding coverage. The current zip code coverage footprint is attached hereto as Exhibit 4. TruConnect understands that its service area overlaps with rural carriers in Washington, but maintains that the public interest factors described below justify its designation in these carriers’ service areas, especially because it seeks ETC designation solely to utilize USF funding to provide Lifeline service to qualified low-income consumers. TruConnect is not eligible for and does not seek Link-Up or high-cost support.

Therefore, designation of TruConnect as an ETC will cause no growth in the high-cost portions of the USF and will not erode high-cost support from any rural telephone company. In fact, the FCC has determined that “[d]esignation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services,

---

<sup>23</sup> See 47 C.F.R. § 8.2(a).

and new technologies.”<sup>24</sup> While federal rules (47 U.S.C. §§ 160, 214(e)(5) and 47 C.F.R. § 54.207(b)) require that the service area of an ETC conform to the service area of any rural telephone company serving the same area (the “service area conformance” requirement), the FCC’s *Lifeline and Link Up Reform Memorandum Opinion and Order* (FCC 13-44 released April 15, 2013) authorized forbearance from the service area conformance requirements with respect to carriers seeking to provide Lifeline-only service.<sup>25</sup> In light of this forbearance, the Commission has the authority to designate ETCs such as TruConnect in rural areas without concern for the service area conformance requirement.<sup>26</sup>

#### **E. TruConnect Will Advertise the Availability of Supported Services**

TruConnect will advertise the availability and rates for the services described above using media of general distribution as required by 47 C.F.R. § 54.201(d)(2). TruConnect’s advertising will comply with the requirements set forth in the *Lifeline and Link Up Reform Order*, as outlined in TruConnect’s Compliance Plan.<sup>27</sup> The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline service, using mediums for outreach such as print advertisements, direct marketing, social media and the Internet. TruConnect will engage in advertising campaigns specifically targeted to reach those likely to qualify for Lifeline service, promoting the availability of cost-effective wireless services to this neglected consumer segment. TruConnect may also promote the availability of its Lifeline offering by distributing brochures at various state and local social service agencies, and may partner with

---

<sup>24</sup> See *Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming, Memorandum Opinion and Order*, 16 FCC Rcd 48, 55 (2000).

<sup>25</sup> See *In the Matter of Telecommunications Carriers Eligible for Support, Lifeline and Link Up Reform*, WC Docket No. 09-197, WC Docket No. 11-42, Memorandum Opinion and Order, FCC 13-44 (rel. April 15, 2013).

<sup>26</sup> See 47 C.F.R. § 54.207(c).

<sup>27</sup> See Exhibit 3, section (4). See also *Lifeline and Link Up Reform Order* at Section VII.F.

nonprofit assistance organizations in order to inform customers of the availability of its Lifeline service. In addition, TruConnect intends to utilize its network of retail partners (once established) to help promote the availability of its Lifeline plans, especially retail outlets that are frequented by low-income consumers. TruConnect will provide retail vendors with signage to be displayed where Company products are sold, and with printed materials describing the Company's Lifeline program.<sup>28</sup>

TruConnect will explain in clear, easily understood language the following disclosures in all marketing materials related to the supported service: (a) that the service is a Lifeline-supported service; (b) that only eligible consumers may enroll in the program; (c) what documentation is necessary for enrollment; and (d) that the benefit is limited to one per household consisting of either wireline or wireless service and is non-transferrable. TruConnect will also explain that Lifeline is a government benefit program and willfully making false statements to obtain Lifeline benefits may be punished by fine or imprisonment or result in being barred from the program. Additionally, TruConnect will disclose the company name under which it does business and the details of its Lifeline service offerings in any Lifeline-related marketing and advertising.

#### **F. Service Commitment Throughout the Proposed Designated Service Area**

TruConnect will provide service in Washington by reselling service which it obtains from its underlying carriers. These providers' networks are operational and largely built out. Thus, TruConnect will be able to commence offering its Lifeline service to all locations served by its underlying carriers very soon after receiving approval from the Commission.

In accordance with 47 C.F.R. § 54.202(a)(1)(i), and by the attached certification, TruConnect

---

<sup>28</sup> See attached Exhibit 5 for a sample advertisement from another state; advertisements will be updated for use in Washington upon ETC designation.

commits to comply with the service requirements applicable to the low-income support that it receives. Pursuant to 47 C.F.R. § 54.202(a)(1)(ii), a common carrier seeking designation as a Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its application for designation as an ETC.<sup>29</sup>

#### **G. Ability to Remain Functional in Emergency Situations**

In accordance with 47 C.F.R. § 54.202(a)(2), TruConnect has the ability to remain functional in emergency situations. As discussed, TruConnect will utilize the extensive and well-established Verizon, Sprint, and/or T-Mobile networks and facilities to provide its Lifeline services. The Company understands that the Underlying Carrier networks have access to a reasonable amount of back-up power to ensure functionality without an external power source, are able to reroute traffic around damaged facilities, and are capable of managing traffic spikes resulting from emergency situations. Indeed, these Underlying Carriers have repeatedly certified to the FCC that their networks function in emergency situations.<sup>30</sup> The Underlying Carriers provide the same functionality to TruConnect and its customers as these carriers provide to themselves and their own customers.

#### **H. Commitment to Consumer Protection and Service Quality**

Under FCC guidelines and WAC 480-123-030(1)(h), an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards, and wireless applicants may satisfy this requirement with a commitment to comply with the Cellular

---

<sup>29</sup> See also *Lifeline and Link Up Reform Order* at ¶ 386.

<sup>30</sup> See, e.g., *Sprint Nextel Corporation Verified Filing in Compliance with 47 C.F.R. § 54.209*, CC Docket No. 96-45, at 6 (filed Sept. 30, 2011); *In the Matter of Telecommunications Carriers Eligible for Universal Service Support, Petition of T-Mobile USA, Inc. for Designation as a Low-Income Eligible Telecommunications Carrier, et al.*, WC Docket No. 09-197, at 20 (released Aug. 16, 2012).

Telecommunications and Internet Association’s (“CTIA”) Consumer Code for Wireless Service.<sup>31</sup>

TruConnect hereby commits to comply with the CTIA Consumer Code for Wireless Service.

### **I. Financial and Technical Capability**

In accordance with 47 C.F.R. § 54.202(a)(4), TruConnect is financially and technically capable of providing Lifeline-supported services. The Company has been offering telecommunications service since 1998 and began providing non-Lifeline wireless service in October 2012 and Lifeline-supported wireless service in May 2013. TruConnect already successfully provides wireless services nationwide, including Lifeline services in twenty-five (25) jurisdictions.<sup>32</sup> TruConnect has not been subject to enforcement actions, and has not been subject to ETC revocation proceedings except as explained in the footnote below.<sup>33</sup> The Company has operated as a telecommunications carrier for twenty years and has never had to file for bankruptcy protection, and is supported by the resources of its parent, TSC Acquisition Corporation (“TSC”). TruConnect does not, and does not intend to, offer exclusively Lifeline-supported services—and is therefore

---

<sup>31</sup> See 47 C.F.R. § 54.202(a)(3).

<sup>32</sup> TruConnect is in the process of launching its wireless Lifeline service in the remaining states in which it has been designated as an ETC.

<sup>33</sup> In a Memorandum dated October 18, 2017 in Docket No. 3005-TI-102, Wisconsin Commission (“WI PSC”) Staff noted concerns that the Company was not providing Lifeline service in Wisconsin and may have failed to inform the WI PSC of changes to contact numbers and web sites. TruConnect acknowledges that the Company should have informed the WI PSC of changes to contact numbers and web sites, a process which was overlooked due to internal restructuring and employee turnover in 2016 and 2017. TruConnect has put measures in place to ensure consistent, timely compliance going forward by contracting with the following independent third-party compliance vendors: FAS Tek Compliance Solutions, Inc. for ongoing regulatory compliance and reporting; Expert Telecom Compliance, Inc. for ETC-specific compliance; Telecom Professionals, Inc. for ongoing sales and use tax and E-911 compliance; and Lance J.M. Steinhart, P.C. for legal and regulatory services, including maintaining current contact information with regulatory entities, as well as legal advice regarding operations, marketing and compliance, rate changes and service area expansions, advice regarding state and federal ETC Lifeline rulemakings and rule changes, and general monitoring of Lifeline notices and proceedings that could potentially affect TruConnect. These third-party vendors will provide industry expertise and add a layer of accountability and protection regardless of unforeseen internal personnel changes, although in addition, the Company has dedicated staff to work with these aforementioned compliance providers. Regrettably, as a result of TruConnect not updating its address with the WI PSC, the Company did not receive notice of the proceeding and proposed revocation of its ETC designation, and therefore the Company’s Wisconsin ETC designation was revoked effective December 19, 2017 without input from TruConnect. However, TruConnect re-filed for ETC designation in Wisconsin on March 26, 2018 which the WI PSC conditionally granted effective August 28, 2018.

not exclusively dependent on USAC for its revenue. The result of TruConnect's efforts is that it is fully capable of honoring all its service obligations to customers and regulatory obligations to state and federal regulators. Furthermore, the senior management of TruConnect has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.<sup>34</sup> TruConnect will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its underlying carriers.

**J. TruConnect Will Comply with Lifeline Certification and Verification Requirements**

Until the National Verifier is solely responsible for eligibility determination, TruConnect will certify and verify consumer eligibility in accordance with 47 C.F.R. § 54.410, utilizing the streamlined eligibility criteria implemented by the *Lifeline Modernization Order* (see 47 C.F.R. § 54.409), and will work with the Department of Social and Health Services ("DSHS") to verify initial and ongoing consumer eligibility in Washington, and will annually re-certify the continued eligibility of all of its subscribers. Once the National Verifier is fully launched in Washington, TruConnect will rely on the National Verifier for initial and annual verification of Lifeline eligibility.

**K. TruConnect Will Comply With Reporting Requirements**

TruConnect will provide the Commission a copy of its annual certifications and Lifeline recertification results pursuant to 47 C.F.R. § 54.416 (i.e. FCC Form 555), as well as a copy of its annual report filed pursuant to 47 C.F.R. § 54.422 (i.e. FCC Form 481), and other reports the Commission deems necessary as a condition of ETC designation. Furthermore, until implementation of the National Verifier, TruConnect is willing to file with DSHS its customer

---

<sup>34</sup> See Exhibit 6 for key management bios.

records of the prior calendar year for customers enrolled based on eligibility programs within the DSHS database. The records will have all the necessary information and be in an electronic format required by DSHS. After DSHS notifies TruConnect of the results of the review, TruConnect will take appropriate measures to either correct the customer records or stop providing services to ineligible customers and report the resolutions to DSHS and the Commission within 60 days of the notice.

**L. TruConnect Will Comply With All Regulations Imposed By The Commission**

By this Petition, TruConnect hereby asserts its willingness and ability to comply with all the rules and regulations that the Commission may lawfully impose upon the Company's provision of service contemplated by this Petition. TruConnect is willing to cooperate with the Washington State Enhanced 911 Program (E911) and all Public Safety Answering Points on E911 issues and shall, upon request, designate a representative to serve as a member or alternate member of the Washington State E911 Advisory Committee or its Communications Sub-committee. TruConnect is also willing to participate in the Washington State E911 Program's "What's Your Location" public information campaign if the E911 Program requests the participation of wireless carriers, and is willing to collaborate with the Washington State E911 Program to test the compatibility of its handsets with the new Emergency Service Information Network in Washington, including supplying handsets representative of TruConnect's proprietary software and technical assistance should call delivery discrepancies be discovered.

**M. TruConnect Requests Exemption from Certain Provisions of WAC 480-123-030**

TruConnect requests that the Commission exempt it from the ETC petition requirements set forth in WAC 480-123-030(1)(d), (f) and (g). Subsection (d) requires ETCs to provide a substantive plan of the investments it will make using USF funds. This requirement applies to

carriers that seek high-cost support to fund investments to their networks; however, TruConnect seeks ETC designation solely for purposes of reimbursement for provision of subsidized low-income support services to eligible customers. Therefore, TruConnect has no basis for filing an investment plan and should be exempt from the requirement.

Subsection (f) requires wireless carriers to provide a map in .shp format of proposed service areas (exchanges) with existing and planned locations of cell sites and shading to indicate where the carrier provides and plans to provide commercial mobile radio service signals. TruConnect does not own, control, nor plan to develop cell sites, and TruConnect's coverage area encompasses that of its Underlying Carriers in Washington. TruConnect does not have access to underlying carrier service area maps showing the location of cell sites. Accordingly, TruConnect requests exemption from this requirement.

Subsection (g) provides that a petition for ETC designation must contain information affirming that a company has the ability to remain functional in emergency situations, including information that demonstrates it has at least four hours of backup battery power at each cell site, backup generators at each microwave hub, and at least five hours of backup battery power and backup generators at each switch. As noted in Section III.G of this Petition, TruConnect has the ability to remain functional in emergency situations through its underlying carriers. TruConnect does not own or operate any facilities, cell sites or microwave hubs, thus, TruConnect should be exempt from the requirement that it demonstrate it has backup battery power or generators.

#### **IV. DESIGNATION OF TRUCONNECT AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST**

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is "to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies" to all citizens,



regardless of geographic location or income.<sup>35</sup> Designation of TruConnect as an ETC in Washington will further that public interest. Whether because of financial constraints, poor credit history, or intermittent employment, many low-income consumers often lack the countless choices available to most consumers and thus have yet to reap the full benefits of the intensely competitive wireless market.

The instant request for ETC designation must be examined in light of the Act's goal of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers—particularly low-income consumers—receive affordable and comparable telecommunications services. Given this context, designating TruConnect as an ETC would significantly benefit low-income consumers eligible for Lifeline services in Washington—the intended beneficiaries of universal service.

#### **A. Advantages of TruConnect's Service Offering**

The public interest benefits of TruConnect's wireless service include larger local calling areas (as compared to traditional wireline carriers); the convenience, portability and security afforded by mobile telephone service; the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge; the opportunity for customers to receive both the minimum service standards for voice *and* broadband usage within the same rate plan; the ability of users to use the supported service to send and receive "SMS" or text messages; the ability for customers to purchase additional usage at flexible and affordable amounts in the event that included usage has been exhausted (and the courtesy of free low-balance alerts); the option to purchase international calling at affordable rates; the opportunity for customers to receive service without going through a credit check or deposit requirement, or committing to a long-term service

---

<sup>35</sup> *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56.

contract; and access to 911 and E911 (where available) service in accordance with current FCC requirements.

Low-income individuals can greatly benefit from the advantages offered by the Company's Lifeline service, which provides access to wholly-supported wireless service to assist in emergency situations, facilitate job search efforts, and to maintain contact with family members. It is a commonly accepted fact that in today's market all consumers, including qualified Lifeline customers, view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents, wherever they may be, allows a person seeking employment the ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers, regardless of location. TruConnect's prepaid wireless service is likely to be an especially attractive option for low-income consumers because it alleviates customer concerns regarding hidden costs, varying monthly charges and long-term contract issues. Providing TruConnect with the authority necessary to offer discounted Lifeline service to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

Finally, grant of TruConnect's Petition will serve the public interest in increasing the number of ETCs in Washington. By granting ETC status to TruConnect, the Commission will enable TruConnect to increase the number of Washington residents receiving Lifeline support, thereby increasing the amount of USF money flowing into Washington. In sum, ETC designation in the State of Washington would enable TruConnect to provide all of the public benefits cited by the FCC in its analysis in the *Virgin Mobile Order*. Namely, TruConnect would provide "increased consumer

choice, high-quality service offerings, and mobility,”<sup>36</sup> as well as the safety and security of effective 911 and E911 services.<sup>37</sup>

### **B. The Benefits of Competitive Choice**

The FCC has acknowledged the benefits to consumers of being able to choose from among a variety of telecommunications service providers for more than three decades.<sup>38</sup> Designation of TruConnect as an ETC will promote competition and innovation, spurring other carriers to target low-income consumers with service offerings tailored to their needs, ultimately resulting in improved services to consumers. Designation of TruConnect as an ETC will help ensure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Act.<sup>39</sup> Introducing TruConnect into the market as an additional wireless ETC provider will afford low-income Washington residents a wider choice of providers and available services while creating a competitive marketplace as ETCs compete for a finite number of Lifeline-eligible customers. Increasing the competitive marketplace of providers has the potential to effectively increase the penetration rate and reduce the number of individuals not connected to the PSTN.

### **C. Impact on the Universal Service Fund**

TruConnect’s request for designation as an ETC solely for purposes of participating in the Lifeline program would not unduly burden the USF or otherwise reduce the amount of funding available to other ETCs. With Lifeline, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is exactly the same whether the support is given through a company such as TruConnect or the Incumbent LEC operating in the same service

---

<sup>36</sup> See *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38.

<sup>37</sup> See *Id.* at 3391 ¶ 23.

<sup>38</sup> See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

<sup>39</sup> See 47 U.S.C. § 254(b)(1).

area. The number of persons eligible for Lifeline support is the same the Company's designation as an ETC; TruConnect will only increase the amount of USF Lifeline funding in situations where it obtains Lifeline customers not already enrolled in another ETC's Lifeline program. By implementing the safeguards set forth in the *Lifeline and Link Up Reform Order* and utilizing the NLAD and National Verifier (once in place), the likelihood that TruConnect's customers are not eligible or are receiving duplicative support either individually or within their household is greatly minimized. TruConnect's ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress to provide all individuals with affordable access to telecommunications service, and thus any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers.

**V. CONCLUSION**

Based on the foregoing, designation of TruConnect as an ETC in the State of Washington accords with the requirements of Section 214(e)(2) of the Act and is in the public interest.

WHEREFORE, TruConnect respectfully requests that the Commission promptly designate TruConnect as an ETC in the State of Washington for the purpose of participating in the Lifeline program.

Respectfully submitted,



---

Lance J.M. Steinhart  
Managing Attorney  
Lance J.M. Steinhart, P.C.  
1725 Windward Concourse, Suite 150  
Alpharetta, Georgia 30005  
(770) 232-9200 (Phone)  
(770) 232-9208 (Fax)  
E-Mail: [lsteinhart@telecomcounsel.com](mailto:lsteinhart@telecomcounsel.com)

*Attorneys for Sage Telecom Communications, LLC  
d/b/a TruConnect*

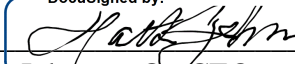
July 24, 2019

**EXHIBIT 1**

**Certification**

**STATE OF CALIFORNIA** )  
 )  
**COUNTY OF LOS ANGELES** )

I, Nathan Johnson, the Co-CEO (Co-Chief Executive Officer) of Sage Telecom Communications, LLC d/b/a TruConnect, hereby depose and state that I have read the foregoing Petition and know the contents thereof, and declare under penalty of perjury that the statements made therein are true and correct to the best of my knowledge and belief.

DocuSigned by:  
  
\_\_\_\_\_  
Nathan Johnson, Co-CEO

## EXHIBIT 2

### Proposed Lifeline Offering

#### Sage Telecom Communications, LLC d/b/a TruConnect Lifeline Offering

Terms & Conditions maintained at [www.truconnect.com](http://www.truconnect.com)

<b>Plan</b>	<b>Minutes</b>	<b>Text</b>	<b>Data</b>	<b>Net Cost to Lifeline Customer (Non-Tribal)</b>	<b>Net Cost to Lifeline Customer (Tribal)</b>
<b>Basic Lifeline</b>	1,000	Unlimited	2.0 GB	<b>\$ 0.00</b>	<b>N/A</b>
<b>Tribal Lifeline</b>	Unlimited	Unlimited	2.0 GB	<b>N/A</b>	<b>\$ 0.00</b>

#### Plans Include:

- Free data-capable device or SIM card
- Free calls to Company Customer Service
- Free calls to 911 emergency services
- Free access to Voicemail, Caller-ID, Call Waiting, Call Forwarding, and 3-Way Calling
- Free Domestic Long Distance
- Data at 3G speeds or higher

#### **Additional airtime available for purchase**

Voice, Data, and International Talk refill options are maintained on the Company's website:  
<https://www.truconnect.com/international>

**EXHIBIT 3**

**FCC-Approved Compliance Plan**



**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

_____ )	
In the Matter of )	
)	
Federal-State Joint Board on )	WC Docket No. 09-197
Universal Service )	
)	
Lifeline and Link Up Reform Modernization) )	WC Docket No. 11-42
)	
_____ )	

**REVISED COMPLIANCE PLAN OF SAGE TELECOM, INC.**

Sage Telecom, Inc. (“Sage”), by its attorneys, respectfully submits this Compliance Plan (“Plan”) for the purposes of seeking federal Lifeline support for wireless service under the Universal Service Fund’s Low Income Program.

In the *Lifeline Reform Order*,<sup>1</sup> the Commission adopted rules and procedures through which it instituted “blanket forbearance” from the applications of the facilities requirement to all telecommunications carriers seeking a limited ETC designation to provide wireless Lifeline services. In order to qualify for this blanket forbearance, the Commission requires carriers to comply with certain 911 requirements and file and receive approval of a compliance plan providing specific information about its service offerings and procedures to safeguard against waste, fraud and abuse.

Therefore, Sage respectfully submits this Plan in accordance with the Lifeline Reform Order and instructions set forth in the Wireline Competition Bureau *Public Notice* issued on

---

<sup>1</sup> *In the Matter of Lifeline and Link Up Reform and Modernization Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-12, ¶ 172 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

February 29, 2012.<sup>2</sup> Sage seeks approval of this compliance plan only for the provision of Lifeline support to provide wireless services nationwide, as the company offers wireline service as a facilities-based carrier under the approval of state commissions. This Plan sets forth Sage's service offerings and the procedures and measures it will use to safeguard against waste, fraud and abuse. In support of this request, Sage provides the following information:

**(1) Information about the carrier and the Lifeline plans it intends to offer:**

**(a) names and identifiers used by the carrier, its holding company, operating company and all affiliates;**

Sage is a Texas corporation with offices located at 10440 N Central Expressway, Suite 700, Dallas, TX 75231.<sup>3</sup> The company began operations as a competitive local exchange carrier ("CLEC") providing traditional wireline service in 1998. Sage is authorized as a CLEC in 25 additional states and as an interexchange carrier in Colorado,<sup>4</sup> and provides service in Arkansas, California, Connecticut, Illinois, Kansas, Michigan, Missouri, Ohio, Oklahoma, Texas and Wisconsin. Sage was authorized as an ETC in Texas in 2002, and Sage also a provider of high speed Internet services. Sage has also been designated as an ETC in a number of other states for the provisions of wireline service Lifeline service and currently has wireline Lifeline customers in five states for which it is reimbursed through state and/or federal programs, depending upon the state and the customer. Specifically, in California, Sage receives support only from the CPUC's Low Income Programs. Sage also receives support from state programs in Kansas, Texas and Wisconsin. Less than 20% of Sage's customers receive a subsidy from a low income

---

<sup>2</sup> Public Notice, Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order, DA 12-314, (Rel. Feb. 29. 2012).

<sup>3</sup> Due to a planned move of corporate offices, this address is effective after October 26, 2012.

<sup>4</sup> Technically, the services provided by Sage in Texas are under the corporate entity Sage Telecom of Texas, LP, and services in all other states are provided by Sage Telecom, Inc. However, services are all offered to consumers under the trade name "Sage Telecom, Inc."

program. The company is planning to launch wireless service on a non-Lifeline basis, primarily in Texas, through an MVNO arrangement with Sprint. As the company would like to expand this offering to Lifeline customers, Sage seeks approval of a compliance plan to offer Lifeline service using this resold service.

Sage is wholly-owned by TSC Acquisition Corporation (“TSC”). TSC also owns Telscape Communications, Inc., A CLEC based in California that primarily serves customers in that state on both a wireline and wireless basis. Sage, through its common ownership with Telscape, has collective access to a broader market and combined subscriber growth. Sage is also affiliated with TruConnect Mobile, LLC (“TruConnect”), through partial common ownership. TruConnect is 40% owned by TSC, Sage’s parent company as described above. TruConnect provides mobile broadband data services and does not provide any services supported by the low income program.

**(b) detailed information demonstrating the carrier is financially and technically capable of providing the supported Lifeline services in compliance with the Commission’s rules;**

As a long-time provider of wireline services, particularly in Texas, Sage has a proven record of technical and financial qualifications. The company provides facilities-based wireline service in numerous states and has sophisticated back-office, operational and support systems, which allows it to operate at lower costs and pass those savings on to its subscribers. As a carrier who has provided service for nearly 14 years, Sage possesses the financial viability, as well as the expertise to continue to provide affordable and quality service to customers and has the proven experience to maintain its compliance with all applicable federal and state regulatory guidelines. Sage derives the majority of its revenue from the telecommunications services it provides to its customers. Sage does not and will not rely exclusively on the Universal Service

Fund (“USF”) disbursements to operate, but rather relies on revenues it receives from providing non-Lifeline wireline (and soon wireless) service, the payment for service by Lifeline customers,<sup>5</sup> as well as high-speed Internet services. In addition, Sage has not been subject to any type of enforcement action or ETC revocation proceeding by the FCC or any state utility regulatory commission.

Sage is working with Sprint Spectrum to resell Sprint’s wireless services to non-Lifeline customers in Texas and elsewhere. As a Lifeline service provider, Sage would continue to work with Sprint, who provides the necessary network infrastructure and wireless facilities necessary for the operation of Sage’s services as a Mobile Virtual Network Operator (“MVNO”). As the Commission is aware, Sprint is a large, nationwide carrier who provides similar service to other wireless Lifeline providers operating as MVNOs. Sage’s agreement and partnership with Sprint further demonstrates its financial and technical capability to provide these services.

**(c) detailed information, including geographic locations, of the carrier’s current service offerings if the carrier currently offers service;**

As detailed in response to Question 1(a) above, Sage currently provides local and interstate wireline and is planning to provide wireless services in numerous states, with a particular emphasis on Texas.

**(d) the terms and conditions of each Lifeline service plan offering, including rates, the number of minutes provided and additional charges, if any, for toll calls;**

At this time, Sage plans to offer the following wireless Lifeline plans and services, subject to state specific requirements or requests from state PUCs. These plans are offered to both Lifeline and non-Lifeline subscribers, with a discount applied to the Lifeline customer. Services will be offered on a prepaid basis, and potentially also on a postpaid basis. All services

---

<sup>5</sup> All of Sage’s Lifeline wireline customers currently pay a monthly fee for the discounted service.

will normally have an activation fee and will likely require a monthly payment from the customer. The prices listed below show the basic, non-Lifeline price and the price to the consumer with the \$9.25 Lifeline credit applied. All plans will likely require a monthly payment by the customer. Sage commits to providing a minimum of 250 minutes per month for the \$9.25 subsidy.

Sage is still determining the exact plans it will offer (reiterating the condition that plans will provide a minimum of 250 minutes for the \$9.25 subsidy), but a sample plan would be as follows:

**ValuMobile Plus** Price: \$24.25 per month/Lifeline Price: \$15.00

Features	Cost
500 minutes Voice/Text	Included
Call Waiting	Included
3 Way Calling	Included
Caller ID	Included
VoiceMail	Included
911	Free
611 (Customer Service)	Free
Directory Assistance	\$1.50

Activation Fee: \$25.00

**Additional Minutes:** For all service plans the customer can purchase additional voice, data, MMS, text minutes for \$0.05 per minute with a minimum purchase of \$5.00. For example, 100 additional minutes will cost \$5.00. The customer will have the ability to purchase 100 minutes (\$5.00); 200 minutes (\$10.00); 300 minutes (\$15.00) and 500 minutes (\$25.00). For Unlimited service plans the customer will not need additional voice or text but will need to purchase additional minutes for data and MMS. MMS is priced at \$0.15 per minute and Data is \$0.05 per MB.

**Text Messages:** The service plans include text messaging; text messaging rates are assessed at 1 minute per text message sent and 1 minute per text message received.

**Other:** Plans do not permit rollover minutes. Top Ups are available for a 30 day period as long as the customer renews the service at the normal plan rate. Plans do not allow roaming. The \$25.00 Activation Fee includes selection of a basic handset which is activated and provided ready for use. Customers are allowed to call internationally but will be assessed the international rates. International text rates are \$0.20 per minute for messages sent or received. Special Promotional offer: 10 MB data FREE for 3 months with the selection of a data capable phone.

**(e) all other certifications required under newly amended section 54.202 of the Commission's rules.**

Section 54.202 requires ETCs to (1) certify that it will comply with the applicable service requirements; (2) file a five-year plan detailing proposed improvements or upgrades in the network unless the ETC is receiving only Lifeline support; (3) demonstrate that it will continue to function in emergency situations including reasonable back-up backup power and emergency traffic management; (4) demonstrate that the carrier will comply with applicable consumer protection and service quality standards; (5) demonstrate that it is financially and technical qualified to provide Lifeline services that comply with the applicable rules; and (6) provide information concerning the terms and conditions of the service plans offered to Lifeline customers.

In response to item (1), Sage certifies that it will comply with applicable service requirements and regulations for Lifeline support.

In response to item (2), Sage is not required to submit a five year plan since it is seeking to obtain only Lifeline support for its eligible customers.

In response to item (3), as a CLEC provider in multiple states for over 14 years, Sage has significant experience with emergency preparedness. Sage has detailed Emergency Action and Disaster Recovery Plans in place to respond to emergencies. In addition, Sage's agreement with Sprint provides for the continuation of services during emergencies and sets forth obligations for the service to remain functioning during disasters and similar emergency situations. In addition, as a nationwide carrier and provider of wireless service, Sprint also remains subject to the Commission's authority and must, and does, comply with federal outage reporting requirements.

In response to item (4), Sage certifies that it will comply with the applicable consumer protection and service quality standards. As an operating CLEC in many states, Sage is already subject to states consumer protection and service quality requirements. Sage's wireless Lifeline customers will also receive the same quality service and protections.

Sage's response to items (5) and (6) are provided above and in the provided exhibits

**(2) A detailed explanation of how the carrier will comply with the Commission's new rules relating to determinations of subscriber eligibility for Lifeline services, including all consumer eligibility, consumer enrollment and re-certification procedures as required by Section VI and Appendix C of the Lifeline Reform Order, and a copy of the carrier's certification form;**

Under the *Lifeline Reform Order*, ETCs must comply with eligibility rules for Lifeline services, including initial eligibility, certification, and annual re-certification procedures. In addition to the Commission's rules, Sage must also comply with all certification and verification requirements for Lifeline eligibility established by states where Sage is designated as an ETC. For states that do not have a Lifeline administrator or state agency responsible for determining eligibility and initial certifications and annual certifications, Sage certifies it will comply with the Commission's certification and verification requirements and will follow the procedures outlined below until such time as the Commission implements its planned National Lifeline Accountability Database.

Procedures for Initial Eligibility Determination and Certification of Lifeline Subscribers.

With respect to determining eligibility certification procedures, the rules provide that an ETC must determine a Lifeline applicant's eligibility and provide and receive certification forms with proper documentation from Lifeline subscribers, except where there is a state Lifeline administrator or a state agency responsible for eligibility verification.

In states where there is a third party entity acting as the Lifeline administrator (also referred to as the "Low Income Discount Administrator" or "LIDA" in Texas) who is responsible for determining the eligibility of consumers seeking to subscribe to Lifeline service, sending out certification forms, reviewing documentation and providing ETCs with the appropriate approval of a potential subscriber's eligibility for Lifeline, Sage will comply with the program rules established in those states and will cooperate fully with any state Lifeline administrator.

Based on Sage's history of providing Lifeline and non-Lifeline customers in wireline products, Sage's primary source of signing up Lifeline customers will be via telephone, although some customers may be signed up in person at temporary locations staffed by Sage employees. Visitors to Sage's website will be given information about the program but are required to contact Sage directly via telephone to complete the sign-up process. These callers speak to Sage employees who are specially trained on the Lifeline programs. Sage's customer services representatives will review income- and program-based requirements with applicants via telephone contact. During the initial sign up for service, Sage will (a) require the applicant to confirm that he or she is not already receiving a Lifeline service and that no one else in the applicant's household is subscribed to a Lifeline service in order to avoid providing duplicate services; and (b) inform the applicant of both the income- and program-based eligibility requirements to determine initial eligibility and any state-specific requirements.



Customers are offered the choice to either sign up for service as a non-Lifeline customer pending confirmation of eligibility, or to have their application for service held pending confirmation of eligibility. In the event the customer chooses to proceed, they are processed as a new non-Lifeline customer and the verification process continues as described below. The customer would only be given the Lifeline discount when they have satisfied the verification process, either through the state administrator or Sage's internal process. If the customer is eventually deemed ineligible, they receive no credit. Where the customer chooses to wait for confirmation of eligibility before starting service, the employee will take down the relevant information from the consumer, including payment information, but the order is then held pending verification of eligibility. Only if the customer is determined to be eligible is the order processed.

The Verification process varies by state, in states with a Lifeline administrator, if a new applicant indicates that he or she is eligible for Lifeline service, Sage will provide the applicant's relevant information to the administrator in conformance with any state or Lifeline administrator specific rules. The Lifeline administrator will provide the requisite forms and will be responsible for processing those forms when returned and ensuring the documentation is satisfactory as set forth in state regulations. Sage will not provide Lifeline service or seek reimbursement for providing services to such applicant until it receives a certification of eligibility from the Lifeline administrator.

In states where there is no Lifeline administrator or state agency responsible for determining initial eligibility and certifying Lifeline applicants, Sage will require all applicants to demonstrate either: (1) the applicant's household income is at or below 135% of the Federal Poverty Guidelines based on the income-eligibility criteria set forth in Sections 54.409(a)(1) or

(a)(3) or (2) the applicant participates in Medicaid, Food Stamps, Supplemental Security Income, Federal Public Housing Assistance, Low-Income Home Energy Assistance Program, National School Lunch Program or Temporary Assistance for Needy Families. As required to prevent suspected duplications, Sage will also require the customer to complete the Lifeline Household Worksheet issued by USAC to ensure that duplicate support is not provided to any household. Sage will inform the applicant that any information provided will be submitted to USAC as necessary under the Commission's rules to verify the household is not receiving duplicate Lifeline support.

After confirming initial eligibility either in person or over the phone, Sage will provide the individual with an application via mail requiring him or her to provide certain information and certify that they meet either the income-based eligibility requirements or the program-based requirements, make certain certifications and submit documentation. Specifically, Sage's Lifeline application form will collect the following information from the potential Lifeline customers: (i) the subscriber's full name; (ii) the subscriber's full residential street address (P.O. Boxes will not be acceptable); (iii) whether the residential address is permanent or temporary; (iv) the subscriber's billing address, if different; (v) the subscriber's date of birth; (vi) the last four digits of the subscriber's Social Security number (or Tribal identification number if the subscriber is a member of a Tribal nation and does not have a Social Security number); (vii) if the subscriber is seeking to qualify for Lifeline under the program-based criteria, the name of the qualifying assistance program from which the subscriber, or his or her dependents, or his or her household receives benefits; and (viii) if the subscriber is seeking to qualify for Lifeline under the income-based criterion, the number of individuals in his or her household.

In addition, as part of the Lifeline application, Sage will require all Lifeline applicants to certify, under penalty of perjury, that:

- the applicant meets the income-based or program-based eligibility criteria for receiving Lifeline either because the household receives benefits from a state or federal assistance program (and list the name of the program) or has income at or below 135% of the Federal Poverty Guidelines;
- the applicant has provided documentation to Sage that correctly and accurately confirms the subscriber's household income or participation in the above-listed program(s);
- the applicant will notify its carrier within thirty (30) days if, for any reason, he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the applicant no longer meets the income-based or program-based criteria for receiving Lifeline support, the applicant is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit. The applicant will also certify that they understand this requirement and may be subject to penalties if they fail to notify Sage;
- if the applicant moves to a new address, he or she will provide that new address to the eligible telecommunications carrier within thirty (30) days;
- if the applicant provided a temporary residential address to the eligible telecommunications carrier, he or she will be required to verify his or her temporary residential address every ninety (90) days;
- the applicant acknowledges that the subscriber will be required to re-certify his or her continued eligibility for Lifeline at any time, and the applicant's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the applicant's Lifeline benefits;
- the applicant's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service;
- the information contained in the applicant's certification form is true and correct to the best of his or her knowledge, that providing false or fraudulent documentation or information in order to receive assistance is punishable by fines, imprisonment, de-enrollment or being barred from the program;
- That a violation of the one-per-household rule constitutes a violation of FCC rules and will result in their de-enrollment from the Lifeline program
- the applicant understands that Lifeline is a non-transferable benefit and the service may not be transfers to anyone else; and
- the applicant understands their information, including name, telephone number and address, will be given to the Universal Service Administrative Company (USAC) and/or its agents for the purpose of verifying the applicant and the applicant's household do not

receive more than one Lifeline benefit and consenting to the inclusion of that information into a Lifeline database.

A sample Sage application is attached hereto as Exhibit A.

This application is mailed by Sage to the customer for completion and is returned to Sage for review and certification. All applications are reviewed by Sage employees. Should Sage engage sales agents to assist in signing up customers, those applications will also be reviewed by Sage employees to ensure the applicant's eligibility.<sup>6</sup> This review includes a review to determine eligibility as well as a duplicate review process described below. Sage will make itself available as a direct point of contact with all Lifeline applicants. In addition, all Sage employees who have contact with potential Lifeline customers will be fully trained on the state and Commission Lifeline eligibility rules.

If Sage cannot determine a prospective subscriber's eligibility through a review of an appropriate federal or state database, Sage personnel will require the submission of appropriate documentation required to establish income-based and program-based eligibility and will review each subscriber's documentation for compliance with the eligibility criteria. If documentation is not sufficient or if the application is incomplete, then Sage will deny the application and inform the applicant of the reason for such rejection. For applicants submitting proof of income-eligibility or program-based eligibility, Sage will not retain copies of such documentation but will maintain accurate records detailing how the customer demonstrated his or her eligibility.<sup>7</sup> In addition, if the subscriber provides Sage with a temporary address, it will verify with the subscriber every 90 days that this address remains valid. If the subscriber fails to respond to the Sage within 30 days, the subscriber will be de-enrolled from the Lifeline program.

---

<sup>6</sup> In states with a Lifeline Administrator, this process would be handled pursuant to the procedures of the Administrator.

<sup>7</sup> 47 C.F.R. §§ 54.410(b)(1)(ii)-(iii) and 54.410(c)(1)(ii)-(iii).

Procedures for Annual Re-Certification. Similar to the initial certification process, an ETC must annually certify all subscribers, unless there is a Lifeline administrator that is responsible for re-certification. In states where a Lifeline administrator is responsible for completing annual re-certifications, Sage will rely on such administrator completing the annual certification. If the Lifeline administrator provides notice to Sage that a current subscriber did not re-certify, then Sage will comply with the de-enrollment requirements required by the FCC's rules. Sage will cooperate fully with any Lifeline administrator and take any necessary steps to ensure it is in compliance with both state and federal re-certification procedures.

In states where there is not a Lifeline administrator, Sage will require its Lifeline subscriber to annually re-certify their eligibility as set forth in Rules 54.410(f)(2) and (f)(5) and 54.405(e)(4). Sage may complete the re-certification process on a rolling basis throughout the year. If Sage cannot determine on-going eligibility by accessing a qualifying database, Sage will re-certify the continued eligibility of its subscribers by contacting them in person, in writing (by mail), by phone, by text message, by email or otherwise through the Internet.<sup>8</sup> Alternatively, beginning in 2013, Sage may elect to have the USAC administer the annual self-certification process.<sup>9</sup>

As part of the re-certification process, Sage will inform its Lifeline subscribers that they must confirm eligibility to retain Lifeline benefits, when Lifeline benefits will be terminated if confirmation of eligibility is not provided and how to contact Sage for more information or assistance. If a Lifeline subscriber does not respond to the notice within 30 days, Sage will send

---

<sup>8</sup> *Lifeline Reform Order*, ¶ 130.

<sup>9</sup> *Id.*, ¶ 133.

a notice of impending termination. Subscribers who do not respond to the impending termination notice will be de-enrolled from the Lifeline program within five business days.<sup>10</sup>

**(3) A detailed explanation of how the carrier will comply with the forbearance conditions relating to public safety and 911/E-911 access;**

The Commission conditioned its grant of forbearance on an ETC (a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services.<sup>11</sup> Sage's wireless service currently complies with these requirements and will continue to comply with these conditions.

Specifically, Sage provides its wireless subscribers with 911/E911 access at the time their service is initiated, regardless of activation status and availability of minutes and provides its subscribers with E911-compliant handsets. It is the company's practice to provide access to 911/E911 to the extent these services are available from the underlying carrier, Sprint. Sage also enables 911 emergency calling from all properly activated handsets regardless of whether the account associated with the handset is active, suspended to terminated. Sage will transmit all 911 calls initiated from any of its handsets even if the associated account has no remaining minutes.

In addition, all phones provided by Sage are 911/E911 compliant. Sage uses phones from Sprint that, based on representations made to Sage by Sprint, have been through the applicable certification process in the company's labs. In the event that a customer does not have an E911-complaint handset, Sage will replace it with a compliant handset at no charge. All new

---

<sup>10</sup> 47 C.F.R. § 54.405(e)(4).

<sup>11</sup> *Lifeline Reform Order*, ¶ 373.

customers who qualify for Lifeline services with Sage will receive a 911/E911-compliant handset free of charge.

**(4) A detailed explanation of how the carrier will comply with the Commission's marketing and disclosure requirements for participation in the Lifeline program;**

Sage has experience in providing clear, concise and consistent marketing and disclosure information to its wireline Lifeline to its customers. With respect to its wireless services, Sage will emphasize in clear, easily understood language: (a) that the service is a Lifeline-supported service; (b) that only eligible consumers may enroll in the program; (c) what documentation is necessary for enrollment; and (d) that the benefit is limited to one per household consisting of either wireline or wireless service and is non-transferrable. Sage will also explain that Lifeline is a government benefit program and willfully making false statements to obtain Lifeline benefits may be punished by fine or imprisonment or result in being barred from the program. Sage has and will continue to clearly disclose its name (Sage or Sage Wireless) on all marketing materials. A sample advertisement to be used as a model for creation of state-specific advertisements is attached hereto as Exhibit B. Please note that the two pages of the exhibit represents the front and back of single page document.

**(5) A detailed explanation of the carrier's procedures and efforts to prevent waste, fraud and abuse in connection with Lifeline funds, including but not limited to, procedures the carrier has in place to prevent duplicate Lifeline subsidies within its own subscriber base, procedures the carrier undertakes to de-enroll subscribers receiving more than one Lifeline subsidy per household, information regarding the carrier's toll limitation service, if applicable, and the carrier's non-usage policy, if applicable.**

Sage fully understands and shares the Commission's commitment to minimize waste, fraud and abuse with respect to the Lifeline program. Sage derives less than a quarter of its revenue from Low Income service, and does offer a wireline low income service in a number of states both with and without an administrator. Nonetheless, Sage has focused its operations in a

few states, with a goal of focused growth, to be offered initially in Texas, and then into other states in which Sage is already a wireline ETC. This approach has allowed Sage to refine its business practices and to implement policies consistent with the Commission's goal of minimizing waste, fraud and abuse before launching its service nationwide at some time in the future.

Prevention of Duplicates In Sage's Subscriber Base. At time of initial sign up of a new subscriber, the subscriber's service address is validated for accuracy against the USPS ("United States Postal Service") database and saved in the USPS-approved format, which permits the Sage subscriber database to more accurately prevent duplicates by preventing variations of the same address from appearing multiple times in the database. Once the address is validated for accuracy and format, Sage can check it in available databases or provide it to the Lifeline administrator, where applicable, to be checked against addresses for all Lifeline customer addresses for the entire state.

In addition, while it is anticipated that Sage and its affiliate, Telscape will only operate in different states, to the extent that they have Lifeline customers in the same state, customers can be checked against each company's records to further avoid duplication.

Activation and Non-Usage Policy. Sage will not consider a wireless subscriber activated until the customer has chosen a *non-Lifeline* service plan, activates their service by paying the activation fee, and then applies for and is approved for a Lifeline service plan. Adhering to this "prequalification guideline" prevents waste, fraud and abuse by requiring customers to first sign up for service at regular rates and then only provide discounted service once the customer's eligibility has been confirmed through verification of a Lifeline administrator. As such, Sage will not seek reimbursement for any wireless subscriber until the subscriber activates service and



is approved by the Lifeline administrator or by Sage, in states without a third party Lifeline administrator. Customers who wish to be confirmed as an eligible Lifeline subscriber prior to commencing service can place a non-Lifeline order and have the order held pending verification of eligibility as described above. Because customers do not receive their handset and service until they have an order processed and the activation fee is paid, customers receive activated handsets. Thus, there is no possibility of Sage receiving reimbursement for a customer who does not have an active handset. After the order is processed, Sage personnel activate, configure and test the handsets before they are sent to the consumer. Thus all customers receive an activated handset.

As required by the *Lifeline Reform Order*, Sage has implemented a non-usage policy under which it will de-enroll Lifeline customers that have not used the Sage's Lifeline service for 60 consecutive days. When consumers sign-up for Sage's service, Sage will inform them about the usage requirement. If a Sage Lifeline customer's account does not reflect any usage during any consecutive 60-day period, Sage will deactivate the customer's Lifeline service. Accounts will be deemed active if the Lifeline subscriber: (a) completes an outbound call; (b) purchases minutes or an additional month of service to add to the subscriber's Lifeline service plan; (c) answers an incoming call from a party other than Sage, its agent or representative; or (d) responds to a direct contact from Sage and confirms that he or she wants to continue receiving the Lifeline service.<sup>12</sup>

For Lifeline subscribers failing to use their Lifeline service for a 60-day consecutive period as described above, Sage will provide a clear, easily understood notice that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in

---

<sup>12</sup> See *Lifeline Reform Order*, ¶ 261; 47 C.F.R. § 54.407(c)(2).

service termination for non-usage. Sage will not terminate service to Lifeline subscribers that use their Lifeline service within 30 days of Sage providing said notice.<sup>13</sup>

Cooperate with Federal and State Regulators and Lifeline Administrators. Sage will cooperate with the Commission and has and will continue to cooperate with state regulators and Lifeline administrators to prevent waste, fraud and abuse. Sage will, for example:

- As applicable, participate in industry working groups conducted by or in coordination with state commissions and Lifeline administrators;
- Respond to requests from the Commission, USAC or state commissions concerning consumers' eligibility to be enrolled in Lifeline service, among other matters;
- Upon having a reasonable basis and/or upon any notification from federal or state commissions and/or Lifeline administrators, timely investigate issues concerning a Sage Lifeline customer receiving service from another carrier or customers receiving more than one Lifeline subsidy per household;
- As applicable and when available, access the National Lifeline Accountability Database to determine if an applicant is currently receiving Lifeline service from another carrier or if another person residing at the applicant's residential address is receiving Lifeline service; and
- Comply with federal and state audit requirements.

---

<sup>13</sup> 47 C.F.R. § 54.405(e)(3).

## CONCLUSION

Sage respectfully submits that the foregoing Compliance Plan fully satisfies the conditions set forth in the *Lifeline Reform Order*. Accordingly, Sage respectfully requests approval of this Compliance Plan so that Sage can provide essential Lifeline wireless service to eligible low-income customers nationwide.

Respectfully submitted,

*/s/ electronically signed*

Douglas D. Orvis II  
Kimberly A. Lacey  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, DC 20006

Date: December 19, 2012

**EXHIBIT 4**

**Coverage Area**

TruConnect – Current Zip Code Coverage in WASHINGTON

98001	98050	98116	98198	98259	98323	98375
98002	98051	98117	98199	98261	98324	98376
98003	98052	98118	98201	98262	98325	98377
98004	98053	98119	98203	98263	98326	98378
98005	98055	98121	98204	98264	98327	98380
98006	98056	98122	98206	98266	98328	98382
98007	98057	98124	98207	98267	98329	98383
98008	98058	98125	98208	98270	98330	98384
98009	98059	98126	98213	98271	98331	98385
98010	98061	98127	98220	98272	98332	98386
98011	98062	98129	98221	98273	98333	98387
98012	98063	98131	98222	98274	98335	98388
98013	98064	98133	98223	98275	98337	98390
98014	98065	98134	98224	98276	98338	98391
98015	98068	98136	98225	98277	98339	98392
98019	98070	98138	98226	98278	98342	98393
98020	98071	98139	98227	98279	98343	98394
98021	98072	98141	98228	98280	98344	98395
98022	98073	98144	98229	98282	98345	98401
98023	98074	98145	98230	98283	98346	98402
98024	98075	98146	98231	98284	98348	98403
98025	98077	98148	98232	98286	98349	98404
98026	98082	98154	98233	98287	98351	98405
98027	98083	98155	98235	98288	98352	98406
98028	98087	98158	98237	98290	98353	98407
98029	98089	98160	98238	98291	98354	98408
98030	98092	98161	98239	98292	98355	98409
98031	98093	98164	98240	98293	98356	98411
98032	98101	98165	98241	98294	98358	98412
98033	98102	98166	98243	98295	98359	98413
98034	98103	98168	98244	98296	98360	98415
98035	98104	98170	98245	98297	98362	98416
98036	98105	98174	98247	98303	98363	98417
98037	98106	98175	98248	98304	98364	98418
98038	98107	98177	98249	98305	98365	98419
98039	98108	98178	98250	98310	98366	98421
98040	98109	98181	98251	98311	98367	98422
98041	98110	98185	98252	98312	98368	98424
98042	98111	98188	98253	98314	98370	98430
98043	98112	98190	98255	98315	98371	98431
98045	98113	98191	98256	98320	98372	98433
98046	98114	98194	98257	98321	98373	98438
98047	98115	98195	98258	98322	98374	98439

TruConnect – Current Zip Code Coverage in WASHINGTON

98443	98542	98626	98834	98951	99128	99228
98444	98544	98629	98836	98952	99129	99251
98445	98546	98632	98837	98953	99130	99252
98446	98555	98638	98843	99001	99134	99256
98447	98556	98642	98845	99003	99135	99258
98448	98557	98645	98846	99004	99137	99260
98464	98558	98647	98847	99005	99148	99301
98465	98560	98648	98848	99006	99149	99302
98466	98563	98649	98850	99008	99156	99320
98467	98564	98660	98851	99009	99158	99321
98471	98565	98661	98852	99011	99159	99323
98481	98568	98662	98853	99012	99161	99324
98490	98570	98663	98856	99013	99163	99326
98493	98572	98664	98857	99014	99164	99328
98496	98576	98665	98858	99016	99169	99329
98497	98577	98666	98860	99017	99170	99330
98498	98579	98668	98901	99018	99171	99336
98499	98580	98671	98902	99019	99173	99337
98501	98581	98674	98903	99020	99174	99338
98502	98582	98675	98904	99021	99176	99341
98503	98584	98682	98907	99022	99181	99343
98504	98585	98683	98908	99023	99201	99344
98505	98588	98684	98909	99025	99202	99347
98506	98589	98685	98920	99026	99203	99348
98507	98591	98686	98921	99027	99204	99349
98508	98592	98687	98922	99029	99205	99350
98509	98593	98801	98923	99030	99206	99352
98511	98596	98802	98926	99031	99207	99353
98512	98597	98807	98932	99032	99208	99354
98513	98599	98811	98933	99033	99209	99357
98516	98601	98813	98934	99034	99210	99360
98522	98603	98814	98935	99036	99211	99361
98524	98604	98815	98936	99037	99212	99362
98528	98606	98816	98937	99039	99213	99363
98530	98607	98817	98938	99040	99214	99402
98531	98609	98821	98939	99102	99215	99403
98532	98611	98822	98940	99104	99216	
98533	98612	98823	98942	99109	99217	
98537	98616	98826	98944	99110	99218	
98538	98619	98828	98946	99111	99219	
98539	98621	98830	98947	99113	99220	
98540	98622	98831	98948	99115	99223	
98541	98625	98832	98950	99122	99224	

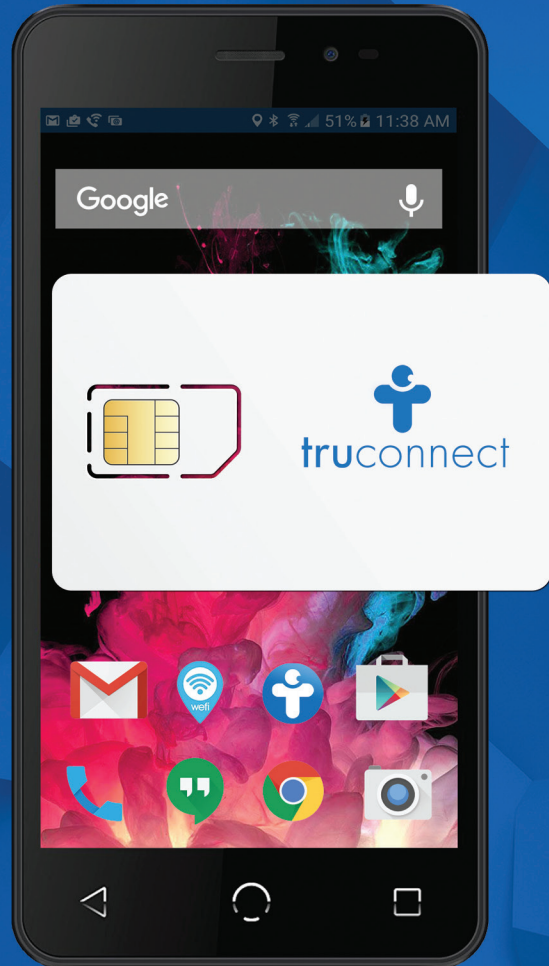
**EXHIBIT 5**

**Sample Advertisement**



# Free Lifeline Phone Service

# Need More?



## Monthly Talk, Text, & Data

1,000 Minutes  
Unlimited Text + 2 GB

Includes  
**Unlimited International Calling**  
Mexico, China, & Canada

## Lifeline Plus

Those who qualify for Lifeline get \$5 off our most powerful data plan ever!

**\$35/mo** Unlimited Talk, Text, & Data\*

\*Unlimited data subject to data speed throttling when data usage exceeds 4GB within a given plan period.

## Data Refills

**\$5** 500 MB

**\$10** 1 GB

Data refills expire after 30 days.

## Voice Refills

**\$5** 500 Minutes

**\$10** 1,000 Minutes

Voice refills expire after 30 days.

## International

**\$5**

**Unlimited Calling to  
80+ Countries\***

\*Unlimited Calling to the first 15 unique numbers each month. Expires in 30 days.

### INTERNATIONAL RATES

A full list of rates can be found at [www.truconnect.com/international](http://www.truconnect.com/international) and are subject to change. The provider for TruConnect int'l calls is Elite Telecom. For full terms and conditions, go to: [www.truconnect.com/legal-terms-and-conditions-personal/](http://www.truconnect.com/legal-terms-and-conditions-personal/).

### INTERNATIONAL SERVICE

Int'l calls are charged at the applicable rate plus airtime. Advertised int'l rates do not apply to calls made to foreign mobile phones unless specified or to off network/special locations and in some instances may be higher.

# FREE

Lifeline Phone Service

## Sign Up Today!



Enroll at  
[truconnect.com](http://truconnect.com)



Call us at  
800.430.0443



@TruConnect



@TruConnect



@TruConnect\_LA





## TruConnect Exclusives



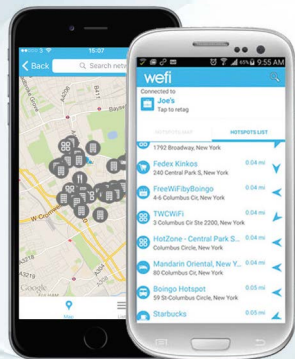
### WHAT IS WEFI?

Everyone loves a good Wi-Fi connection these days. It's free and saves you from using loads of data each month.

But it's never simple — which connection is the fastest? Which is the safest?

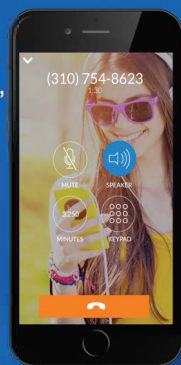
The Wefi app will automatically locate and instantly connect to the strongest Wi-Fi network available.

All of the 200+ million Wi-Fi hotspots in our database were discovered by someone like you — join our network and help us connect the world.



### GO UNLIMITED WITH YOUR FREE 2ND LINE

- Unlimited texts in the U.S. and Canada
- FREE global texts to any TruText, Textplus, or Nextplus user
- Unlimited Wi-Fi calling
- Send your friends fun gifs and stickers
- A unique phone number for the area code of your choice
- Earn free calling credits by watching videos



# FREE

Lifeline Phone Service

## Lifeline Program

### What is the Lifeline Program?

This is a Lifeline service brought to you by TruConnect. Lifeline is a government assistance program. The service is non-transferable and only eligible consumers may enroll. Only one Lifeline service is allowed per household. TruConnect provides free Unlimited Text, 1,000 Minutes, + 2GB of data to qualified low-income customers. If you qualify, you will also have unlimited access to 911 and customer service. To keep your service active, you must use it at least once every 30 day

### How Do I Qualify?

You may qualify for the wLifeline program if you, a dependent, or your household is enrolled in certain government programs or if your household income is at or below certain income limits. Apply in person with an Authorized Dealer, online, or by calling customer service. All of TruConnect's Lifeline Plans have the following features:

- Free customer service calls
- Free voicemail, caller ID, and call waiting
- Free 911 and balance inquiry calls

### Documents Required to Apply

- Government-Issued Picture ID (Full name, DOB, not expired)
- Proof of Eligibility (Program card, participation letter, or income proof)
- Proof of Address (May be required)
- Social Security Number (Last 4 digits)

### For Additional Information Contact

TruConnect Customer Service:  
800.430.0443 or visit [www.truconnect.com/lifeline](http://www.truconnect.com/lifeline)

Lifeline Program:  
866.272.0357 or visit [www.lifelinesupport.org](http://www.lifelinesupport.org)

## Lifeline Eligibility

### Method 1 Program-Based Eligibility

You may qualify for the Lifeline discount if you OR another member of your household is currently enrolled in any one of the following public assistance programs:

- Supplemental Nutrition Assistance Program (SNAP/Food Stamps/Food Assistance)
- Medicaid (not Medicare)
- Supplemental Security Income (SSI)\*
- Federal Public Housing Assistance (FPHA)
- Veterans Pension or Survivors Pension Benefit

\*Social Security benefits and/or Social Security Disability benefits are not program-based eligibility qualifiers. Social Security and/or Social Security Disability income may only be used to qualify for Lifeline Program participation under the income-based eligibility method.

### Method 2 Income-Based Eligibility

You may also qualify for Lifeline if your household income is at or less than the following annual income limits:

Household Size	Annual Income Limits
1	\$16,281
2	\$21,924
3	\$27,567
4	\$33,210
5	\$38,853
6	\$44,496
7	\$50,139
8	\$55,782
Each additional member	Add \$5,643

(Effective 1/1/18-12/31/18)

## Lifeline Service

### Monthly Plans & Data Refills

Monthly Plans expire after 30 days. If you add a Monthly Plan before your current Monthly Plan expires, your new Monthly Plan will replace your current Monthly Plan.

The data from your Monthly Plan expires after 30 days. A Data Refill is separate from the data included in your Monthly Plan, and your refill will be used after the data in your Monthly Plan. Data Refills cannot be used unless you are on a current Monthly Plan.

### Lifeline Service

Comprehensive terms and conditions for the TruConnect Lifeline Plans are available at [www.truconnect.com](http://www.truconnect.com). All terms and conditions of service as described herein apply to services provided under the Lifeline Plans. Lifeline is a government assistance program, and Lifeline service is non-transferable. Only eligible consumers may enroll, and the program is limited to one discount per household. You acknowledge and agree that TruConnect may modify or terminate its Lifeline services in the event that there are any changes to the applicable governmental programs and subsidies, upon prior notice to you if/as required by state and federal regulations. The Lifeline Administrator will determine whether or not you are eligible for Lifeline. Proof of eligibility is required such as an eligible program card or statement of benefits. TruConnect will notify you when your Lifeline application has been approved. You understand that by signing up for a Lifeline Plan with TruConnect, you may not have a Lifeline plan with any other carrier (wireless or landline), and you further agree to comply with any documentation or verification procedure necessary to confirm that you qualify for the Lifeline Program. If you are no longer eligible for Lifeline, TruConnect may terminate your account. If you misrepresent your eligibility for Lifeline, you agree to pay us the additional amount you would have been charged under the most favorable rate plan for which you are eligible. To remain qualified for Lifeline, you must successfully complete an annual renewal form. If you fail to complete the annual renewal by the required date, you will be de-enrolled from the TruConnect Lifeline services. Your TruConnect Lifeline service handset is non-transferable. You agree not to give away, resell, or offer to resell your Lifeline service. Removing the handset from the home may prevent other household members from making and receiving calls. Coverage limitations, including service interruptions due to terrain, signal strength, and weather, may affect the ability to make or receive calls, including calls to 911 in the event of an emergency. In the event that you breach these Terms & Conditions, TruConnect reserves the right to immediately de-enroll you from the TruConnect Lifeline services.

**EXHIBIT 6**

**Key Management Bios**

**Sage Telecom Communications, LLC d/b/a TruConnect**  
**Executive Bios**

**Nathan R. Johnson, Co-Chief Executive Officer**

Nathan Johnson is Executive Chairman of the Board and an investor in Sage Telecom Communications, LLC d/b/a TruConnect, where he oversees the strategic vision and effective governance of the organization. Mr. Johnson is also a Managing Partner of Gemini Partners, a middle-market investment bank, where he has financed, sold, and advised several small- and middle-market telecommunications companies including Telemac, Distributive Networks, and Pulse Entertainment, among others. Prior to Gemini Partners, Mr. Johnson served as Vice President in investment banking at Deutsche Bank, where he advised several Latin American companies including Telefonos de Peru and a Venezuelan phone company in their efforts to take the companies private. Mr. Johnson received his MBA from the Wharton School at the University of Pennsylvania with a concentration in Finance and Multinational Management. He also received his MA from the University of Pennsylvania with concentrations in Latin America and Spanish.

**Matthew H. Johnson, Co-Chief Executive Officer**

Matthew Johnson is Managing Partner of Gemini Partners and a Board Member and investor of Sage Telecom Communications, LLC d/b/a TruConnect. At Gemini Partners, a middle-market investment bank, Mr. Johnson has financed, sold, and advised several small- and middle-market telecommunications companies including Telemac, Distributive Networks, and Pulse Entertainment, among others. Previously, Mr. Johnson served as Vice President in investment banking at Credit Suisse First Boston where he financed numerous telecommunications companies specifically located in Latin America, including Bestel Communications, a company that operated fiber loops stretching from the U.S. to Mexico, and Globopar, a telecommunications and media conglomerate based in Brazil. Mr. Johnson holds an MBA from Northwestern University's Kellogg School of Management.

**Jeffrey Misthal, Chief Financial Officer**

Mr. Misthal is the Chief Financial Officer for Sage Telecom Communications, LLC d/b/a TruConnect. He is responsible for all accounting and finance functions for the company. He has 20 years of finance experience working with technology companies, including Leaf Group and Yahoo, and as an investment banker for GCA Savvian and JPMorgan where he was an advisor for technology companies responsible for mergers and acquisitions and arranging financing for his clients. Mr. Misthal holds a BS in Economics from the Wharton School at the University of Pennsylvania and an MBA from UCLA Anderson.

**Lucy Sung, General Manager, Global Operations**

Ms. Sung is the General Manager of Global Operations for of Sage Telecom Communications, LLC d/b/a TruConnect and leads the Legal, Compliance, Customer Care, Sales Operations, Human Resources, and Billing Operations teams. She has over 30 years of experience in the wireless carrier industry, and has 15 years of experience managing the operations and expansion of wireless ETCs. She has held senior management positions in companies that include AT&T, among others. Ms. Sung holds a Bachelor of Science Degree in Business Administration.

**Aleksandr Gudkov, Chief Technology Officer**

Mr. Gudkov is the Chief Technology Officer for Sage Telecom Communications, LLC d/b/a TruConnect and leads all Business Intelligence, data warehouse, and technology related initiatives. Mr. Gudkov has over 18 years of experience in information technology supporting private, state and local governments. He has managed several large-scale integration and migration initiatives for the California Lifeline program, CEL child care eligibility system, and Arizona APS energy income eligibility program. Mr. Gudkov holds a Master of Science degree in Nuclear Engineering from National Research Nuclear University, Moscow Russia.

**Danielle Perry, Chief Information Officer**

Danielle Perry is the Chief Information Officer for Sage Telecom Communications, LLC d/b/a TruConnect and is responsible for leading all technology related aspects of the business; from software development to data analytics. Ms. Perry has over 20 years of experience in the telecommunications field, with 8 of those years being focused on Lifeline. In her previous position she was the Chief Information Officer at Blue Jay Wireless.